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## JOINT COMMITTEE HEARINGS ON MEDC OPEN

## Organization's Role in a Changing Economy Probed

LANSING-- The Senate opened hearings Tuesday to examine the role of the Michigan Economic Development Corporation (MEDC) in today's changing economic climate. The MEDC is the state's chief agency charged with recruiting and retaining jobs for Michigan workers.

"The purpose of these hearings is simple," said Senator Jason Allen (R-Traverse City).

"It's about jobs in Michigan. There is no greater challenge to Michigan government in the first decade of a new century than how to attract new, cutting edge job providers to Michigan and keep current employers in our state."

"Job creation tools must remain current with the times," said Senator Valde Garcia (R-Howell). "We've had successes through the 1990s but we must constantly examine our efforts to ensure the investments we are making are generating appropriate return."

The Commerce and Labor Committee and the Senate Appropriations Subcommittee on Commerce, Labor and Economic Development held a joint meeting to discuss the effectiveness of current economic development efforts and recommend improvements to keep Michigan competitive in the 21<sup>st</sup> century. Tuesday's meeting was the first of at least three meetings.

For this initial hearing the Committee, co-chaired by Senators Allen and Garcia, asked the MEDC to present an overview of its organizational structure, policies and challenges facing it. MEDC's acting Chief Executive Officer, Jeff Mason and board member and former House Speaker Paul Hillegonds made the presentation.

A key focus of the hearings is on the effectiveness of the Michigan Economic Growth Authority grants and whether this program should be reauthorized by the legislature before the grants expire on December 31, 2003.

The hearings begin as recent findings by the Michigan Auditor General reveal that companies receiving job training grants have not been hiring the number of employees they claimed to have hired.

The next hearing will be held on October 7 in Lansing. Among those testifying will be representatives from the Van Andel Institute.